

FISCAL NOTE

HB 2822

March 23, 2006

SUMMARY OF BILL: Permits local education agencies a fee of 5 percent of funding allocated to a public charter school for administrative costs related to such school.

ESTIMATED FISCAL IMPACT:

Decrease Local Govt. Expenditures – Exceeds \$615,000

Assumptions:

- LEAs would be allowed to retain 5% of the state and local funds allocated per pupil, which in effect reduces charter schools funding, but it would not redirect federal funds. Currently, charter schools receive 100% of the state and local education funds of the per pupil expenditure of the LEA.
- Each LEA will retain the maximum allowed (5%).
- Using a per pupil expenditure of \$7,836 in the Memphis City Schools and \$8,540 in the Metropolitan Nashville Public Schools, the total per pupil expenditure funded per ADM that could potentially be retained by the LEA at 5% is \$614,924.
- This estimate is based on the students currently attending the 12 charter schools operating in Tennessee. The number of charter school students will continue to grow as more charter schools open.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director